

MICHIGAN ASSOCIATION OF COUNTIES

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TIMOTHY K. McGUIRE, Executive Director

May 31, 2006

The Honorable Mike Nofs, Chair House Energy and Technology Committee State Capitol Lansing, MI 48913

Dear Chairman Nofs:

I am writing today regarding Senator Brown's SB 1172, a bill to extend the sunset for emergency 911 funding. While this bill is not the comprehensive solution that the MAC Board has endorsed, MAC certainly appreciates it as a necessary step to continue the discussion for more equitable, stable funding and urges its quick passage out of committee.

MAC is committed to finding a solution to stable funding so that 911 remains solvent throughout the state, but recognizes that the sunset is upon us now and must be extended so that work on a comprehensive solution can be found. There are 10 counties that have surcharge renewals up for a vote this year, they are Alpena, Genesee, Gratiot, Hillsdale, Huron, Leelanau, Lenawee, Livingston, Luce, and Saginaw. We need the extension to allow counties to continue to fund 911 through a surcharge. There are a total of 61 counties that levy some kind of surcharge to support 911 services. An option that would not be available if the sunset were allowed to occur.

Currently, as you know, the surcharge only applies to land-lines, which are being replaced by wireless phones and other technologies at an alarming rate. As a result, the funding source is drying up, requiring ever higher surcharges to be levied by counties. Under current stature, the surcharge is capped at \$4.00. We have 5 counties that have reached that cap according to the state 911 coordinator's office. They have no other options, and will begin to feel the pinch as funding begins to dwindle with the landlines it is tied to. This spiral needs to be corrected.

Saginaw County illustrates this point perfectly. According to a November 21, 2005 article in the Saginaw News the county is losing between 2000 and 5000 active landlines per year. Saginaw has estimated it will lose 9,000 of their 101,000 landlines by 2008. If

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something is not done, the county expects to lose \$430,000 over the next 3 years due to this erosion. For purposes of clarity, please know that MAC does not support an increase

in the \$4.00 cap, as that would temporarily solve the problem at the expense of exacerbating the very situation we hope to resolve.

As a result of the plight of counties like Saginaw, and in the interest of fairness to our citizens and businesses, MAC supports a more comprehensive solution, and we are committed to working toward this solution within the Stable Funding Work Group and certainly with you Mr. Chair in the coming months. The Stable Funding Work Group has made great strides toward a solution in recent weeks and is finalizing a document to take to the Legislative Action Subcommittee of the State Police's ETSC for review and comment this month.

As part of a comprehensive solution, MAC believes that all technologies ought to pay the same fair, equitable surcharge within a county, thereby stabilizing funding by spreading it between those technologies that are constantly growing and contracting. Additionally, citizens only holding a landline, who tend to be our senior population, would no longer be footing the majority of the bill for the 911 system.

Again, MAC urges the committee to move this bill along through the process in order to address the sunset, and we will continue to work cooperatively toward a more stable funding solution in the months ahead.

Sincerely,

BENJAMIN E. BODKIN Legislative Coordinator